

**State of Connecticut  
Office of Health Care Access  
Letter of Intent/Waiver Form  
Form 2030**

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CONNECTICUT OFFICE OF  
HEALTH CARE ACCESS

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

**SECTION I. APPLICANT INFORMATION**

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	<b>Essent Healthcare of CT, Inc.</b>	
Doing Business As	<b>Sharon Hospital</b>	
Name of Parent Corporation	<b>Essent Healthcare, Inc.</b>	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	<b>50 Hospital Hill Road Sharon, CT 06069</b>	
Applicant type (e.g., profit/non-profit)	<b>For Profit Acute Care Hospital</b>	
Contact person, including title or position	<b>Charles Therrien President &amp; CEO</b>	
Contact person's street mailing address	<b>50 Hospital Hill Road Sharon, CT 06069</b>	

Contact person's phone #, fax #  
and  
e-mail address

**Tel: 860-364-4010**  
**Fax: 860-364-4011**  
**Email:**  
**charles.therrien@sharonhospital.com**

## SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title: Establish a lithotripsy service

b. Type of Proposal, please check all that apply:

☐ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> New (F, S, Fnc) | <input type="checkbox"/> Replacement   | <input type="checkbox"/> Additional (F, S, Fnc)      |
| <input type="checkbox"/> Expansion (F, S, Fnc)      | <input type="checkbox"/> Relocation    | <input type="checkbox"/> Service Termination         |
| <input type="checkbox"/> Bed Addition               | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership/Control |

☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

☐ Project expenditure/cost cost greater than \$ 1,000,000

☒ Equipment Acquisition greater than \$ 400,000

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> New | <input type="checkbox"/> Replacement        | <input type="checkbox"/> Major Medical |
| <input type="checkbox"/> Imaging        | <input type="checkbox"/> Linear Accelerator |  |

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

**50 Hospital Hill Road, Sharon, CT 06069**

d. List all the municipalities this project is intended to serve:

**Connecticut Towns: Sharon, Lakeville, Salisbury, Canaan, East Canaan, Falls Village, West Cornwall, Cornwall, Kent, and Warren**

**New York Towns: Amenia, Dover Plains, Millerton, Wassaic, Pine Plains,  
Millbrook, Wingdale, Stanfordville, Copake, and Ancramdale  
Massachusetts Towns: Ashley Falls, Sheffield, Great Barrington, and Southfield**

e. Estimated starting date for the project: **October 1, 2006**

f. Type of project: **23**

**Number of Beds (to be completed if changes are proposed)**

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed

**SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION**

a. Estimated Total Capital Expenditure: \$ 450,000

b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$
Medical Equipment (Purchase)	
Imaging Equipment (Purchase)	
Non-Medical Equipment (Purchase)	
Sales Tax	
Delivery & Installation	
<b>Total Capital Expenditure</b>	<b>\$</b>
Fair Market Value of Leased Equipment	\$ 450,000
<b>Total Capital Cost</b>	<b>\$ 450,000</b>

**Major Medical and/or Imaging equipment acquisition:**

Equipment Type	Name	Model	Number of Units	Cost per unit
Lithotripter	Dornier	Compact Delta	1	\$450,000

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

c. Type of financing or funding source (more than one can be checked):

- ☐ Applicant's Equity
 ☒ Lease Financing
 ☐ Conventional Loan  
☐ Charitable Contributions
 ☐ CHEFA Financing
 ☐ Grant Funding  
☐ Funded Depreciation
 ☐ Other (specify): \_\_\_\_\_

**SECTION IV. PROJECT DESCRIPTION**

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

- Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
- What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
- Who is the current population served and who is the target population to be served?
- Identify any unmet need and how this project will fulfill that need.
- Are there any similar existing service providers in the proposed geographic area?
- What is the effect of this project on the health care delivery system in the State of Connecticut?
- Who will be responsible for providing the service?
- Who are the payers of this service?

**If requesting a Waiver of a Certificate of Need, please complete Section V.**

**SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT**

I may be eligible for a waiver from the Certificate of Need process because of the following:  
(Please check all that apply)

- ☐ This request is for Replacement Equipment.
  - ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: \_\_\_\_\_.
  - ☐ The cost of the equipment is not to exceed \$2,000,000.
  - ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

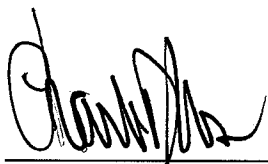
Please complete the attached affidavit for Section V only.

**AFFIDAVIT**

Applicant: **Sharon Hospital**

Project Title: **Establish a Lithotripsy Service**

I, Charles Therrien, President and CEO of Sharon Hospital being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Sharon Hospital complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

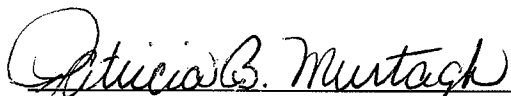
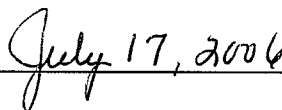


Signature



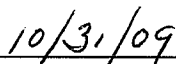
Date

Subscribed and sworn to before me on



Notary Public/~~Commissioner of Superior Court~~

My commission expires:



## Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

### Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

### Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

### Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

## **Program Description – Establishing a Lithotripsy Service at Sharon Hospital**

Sharon Hospital and members of its medical staff propose to establish a portable lithotripsy service for patients who use Sharon Hospital. This will be accomplished through a fee for service arrangement with an outside vendor, UMS Connecticut Lithotripsy, LP. Sharon Hospital will be charged on a per procedure basis. UMS Connecticut Lithotripsy, LP is a mobile provider servicing other Connecticut hospitals. UMS Connecticut Lithotripsy, LP will provide a transportable lithotripsy unit and the service will be provided in the hospital's operating rooms with UMS Connecticut Lithotripsy, LP staff operating the unit and assisting the urologist. UMS Connecticut Lithotripsy, LP will use a Dornier Compact Delta Lithotripsy system. The fair market value of the lithotripsy equipment is \$450,000.00. All equipment, personnel and supplies to perform the procedure are included in the cost of the procedure. This leasing arrangement will allow the hospital to offer the service without incurring any fixed costs. Patients would be admitted and discharged through the hospital's Ambulatory Care Unit (ACU) Same Day Surgery program. Sharon Hospital is a short-term acute care hospital with a license from the department of Public Health. (A copy of the license is attached as Appendix A). As such, no additional license will be required to provide lithotripsy.

The proposed service will initially be available one day per month with capacity expanded as needed to accommodate increases in patient demand. Urologists on staff at Sharon Hospital will provide the physician services for the lithotripsy service. Sharon Hospital intends to provide these services for the residents of Sharon Hospital's service area as there are no other existing providers in Sharon Hospital's Primary Service Area. This initiative will improve the overall quality of care to patients in the region.

The lithotripsy service will augment available care for patients who present with kidney stones and improve the overall quality of care to patients in the service area. Kidney stones are one of the most common disorders of the urinary tract. Current studies suggest kidney stones affect up to 13% of Americans at some point in their lives with an estimated 13 million Americans seeking medical each year. The overall incidence of kidney stones has been increasing over the past twenty years.

Service scheduling and availability of physicians is important in building patient volume as well as the frequency of the mobile capacity to accommodate growth in demand. The "Maine Standard" employs a use rate of 71.1 lithotripsy procedures per 100,000 in population. Sharon Hospital's service area is a population of 50,000, resulting in an annualized volume of 36 procedures (3 per month) for a program at Sharon Hospital. Hospital internal studies indicate that the program is financially feasible.

Quality guidelines established by the American Lithotripsy Society will be followed as to 1.) extracorporeal shockwave lithotripsy, 2.) criteria for patient selection, 3.) pre-treatment evaluation, 4.) treatment parameters, and 5.) post-treatment evaluation.

Other providers of lithotripsy services exist outside of Sharon Hospital's primary service area. These include programs at Danbury Hospital, Waterbury Hospital, and Charlotte Hungerford Hospital.

Sharon Hospital has sufficient financial, managerial, and technical competence to provide efficient and adequate service for the public. All existing payers that have contracts with the hospital will be the payer sources for the proposed lithotripsy program.





**UMS CONNECTICUT LITHOTRIPSY LIMITED PARTNERSHIP  
LITHOTRIPSY SERVICES AGREEMENT**

This Lithotripsy Services Agreement (the "Agreement") is made as of the date written below (the "Effective Date"), between UMS Connecticut Lithotripsy, Limited Partnership, a Connecticut limited partnership ("UMS"), and Essent Healthcare of Connecticut, D/B/A Sharon Hospital (the "Facility").

**1. EQUIPMENT AND SERVICES.**

**1.1 The Equipment.** UMS will provide a Lithotripsy ("LITHO") system as described in Schedule A of this Agreement (the "Equipment"). UMS will provide transportation of the Equipment to and from Facility's site.

**1.2 Personnel.** UMS will provide the services of technical personnel to operate the Equipment as appropriate for Facility's procedure volume.

**1.3 Maintenance.** UMS will cause the Equipment to be maintained in good operating condition. UMS may do so through the purchase of a maintenance contract from the LITHO Equipment manufacturer or otherwise, in its discretion.

**2. PROCEDURE ACTIVITIES.**

**2.1 Siting.** Facility shall prepare and maintain a site for the Equipment which complies with the manufacturer's specifications (which will be provided by UMS) and applicable laws and regulations.

**2.2 Operation.** The Equipment will be operated only by employees or subcontractors of UMS.

**2.3 Medical Supplies; Emergency Care.** Facility will provide all medical supplies which may be required and will ensure the immediate availability at all times of equipment and personnel to treat patients who require emergency or other medical care (including a cardiac monitor, a fresh oxygen supply, an aspirator and a defibrillator).

**2.4 Patient Handling.** Facility will be responsible for the prompt and orderly pick up and delivery of patients to and from their rooms or other designated areas. Facility shall have the sole responsibility for patient treatment, recovery, and direction and control of its personnel during such activities.

**2.5 Patient Log.** UMS will maintain a log of all procedures performed on the Equipment. Facility will be provided with copies of the log upon request.

**2.6 Modifications.** Facility will not modify or alter the Equipment without UMS prior written consent. Facility will not allow any portion of the Equipment to become permanently attached to real property.

**2.7 Exclusivity.** Facility agrees to use UMS solely for all of its LITHO needs, except for an emergency where the use of UMS service is impractical. Facility on behalf of itself, and its subsidiaries, agree during the term of this Agreement, not to own, permit, lease, manage, or invest in any LITHO systems or engage the services of any other LITHO entity which would compete with the services provided by UMS under this Agreement.

**2.8 Document Retention.** UMS and Facility agree to retain books, documents and records required under the Omnibus Reconciliation Act of 1980 and other applicable laws and regulations governing governmental reimbursement of medical care expense, in all cases for the period specified in such laws and regulations. To the extent permitted by applicable law, UMS shall have access to medical records as reasonably necessary to perform its obligations under the Agreement or for its internal record retention.

**2.9 Licenses.** Facility will obtain and maintain all required licenses and regulatory approvals necessary to operate the Equipment at Facility's premises.

**2.10 Taxes.** All taxes, if any (for example, sales, use or similar taxes), on the services hereunder shall be the responsibility of Facility.

3. **FEES AND BILLING.** Facility shall pay UMS fees as set forth in accordance with Schedule A. All fees for each billing period shall be due and payable within forty-five (45) days of the last day of such period. Facility will pay a late fee of one and one-quarter percent (1-1/4%) or the maximum legal rate which ever is less, on all balances outstanding more than fifteen (15) days beyond the due date. Facility shall be responsible for all billings to patients and/or third party payors for LITHO exams performed on the Equipment. Fees may be adjusted on each anniversary of the Commencement Date by the percentage increase as recorded by the Department of Labor Index for all Urban Consumers (CPI-U) for the then most recently available twelve month period.

4. **TERM.** The term of this Agreement shall be the period set forth on Schedule A.

5. **SCHEDULING.** UMS will make the Equipment available to Facility according to the schedule specified in Schedule A or as mutually agreed by Facility and UMS. Facility will use all reasonable efforts to schedule its patients consecutively from the beginning of each service day to minimize unutilized time and to prescreen patients for conditions unsuitable for LITHO procedure.

6. **INSURANCE, INDEMNITY.**

6.1 **Insurance.**

Each party shall carry liability and malpractice insurance, whether through insurance policies or a properly funded program of self-insurance, in amounts of not less than \$1,000,000 in respect of a bodily injury or death to any one person, not less than \$3,000,000 in respect of any one accident. Upon the execution of this Agreement and upon reasonable request, each party hereto shall provide to the requesting party a certificate of insurance or other acceptable proof of such coverage. Facility shall bear the risk of loss or damage to the Equipment from Facility's negligent actions or omissions.

6.2 **Indemnities.** Each party hereto shall indemnify and hold the other party harmless from and against any and all liability, loss, damage, cause of action, cost or expense (including reasonable attorney's fees) arising out of, or in any way connected with, any professional malpractice, negligent or intentional act or failure to act or any other wrongful conduct by the respective party, its members, agents, employees or subcontractors in the performance of its duties under this Agreement. The obligation of any party to indemnify the other party for any reason hereunder shall survive any termination or cancellation of this Agreement or suspension of performance hereunder.

7. **GENERAL.**

7.1 **Independence.** UMS is an independent contractor of Facility, and this Agreement is a contract for services, not a lease. No agency, employment, partnership or joint venture is intended to be created by this Agreement. Neither UMS nor Facility will take any action or position which is inconsistent with those descriptions of the relationship.

7.2 **Remedies.** UMS will not be responsible for failure to provide services as a result of conditions caused by Facility. UMS shall not be liable for consequential or special damages under any circumstances or any damages caused by conditions not within UMS's reasonable control.

7.3 **Waiver.** Waiver of any breach will not be deemed a waiver of the same provision in the future or the waiver of any other provision.

7.4 **Notices.** All notices and other communications will be given in writing, in person or by registered or certified mail, overnight delivery or by telecopy (in the case of telecopy, if written confirmation of sending is retained). The initial addresses and telecopy numbers of the parties are listed next to their signatures below. Either party may change its address or telecopy number for notice by notifying the other by a permitted method. No objection may be made to a permitted method of giving notice.

7.5 **Governing Law.** This Agreement will be governed by the laws of the state where services are performed.

7.6 **Entire Agreement; Amendment.** This Agreement is the parties' entire understanding and supersedes all prior agreements oral and written with respect to the subject matter of this Agreement. This Agreement may not be amended except by written agreement of the parties.

7.7 **Successors and Assigns.** With the prior written consent of Facility, which shall not be unreasonably withheld, UMS may assign this Agreement, and this Agreement will be binding on and inure to the benefit of the

parties' respective successors and assigns. Facility agrees that this Agreement may be performed, in whole or part, by a subsidiary of UMS and further consent shall not be required. UMS may also assign the proceeds of this Agreement. Facility shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, sale of property or stock, liquidation, or otherwise) to all or a substantial portion of its assets, by agreement in form and substance reasonably satisfactory to UMS, to expressly assume and agree to perform this Agreement.

**7.8 Third Parties.** This Agreement does not convey any rights to any third parties.

**7.9 Attorney Fees.** In any dispute arising out of this Agreement (whether litigation is involved or not) or in the event that either party must sue to collect fees or enforce rights, the prevailing party will be entitled to reimbursement of its expenses, including court expenses and lawyers' fees.

**7.10 Certain Events.** Neither party will be deemed in breach if its failure to perform under this Agreement is caused by conditions beyond its reasonable control (for example, fire, natural disaster, labor strikes, and so on).

**7.11 Confidentiality.** Facility acknowledges and agrees that this Agreement is highly confidential and proprietary to UMS and Facility agrees that it, nor any of its employees, physicians or representatives, shall disclose in any manner the terms, provisions, pricing or any other information contained in this Agreement (or any related proposal) to any third party.

**7.12 Performance Standards.** UMS shall perform all of its obligations of this Agreement in accordance with any and all regulatory and accreditation standards applicable to the facility and the obligations due from UMS under this Agreement, including without limitation, those requirements imposed by the Joint Commission on Accreditation of Healthcare Organizations (the "JCAHO"), the Medicare/Medicaid conditions of participation and any amendments thereto. UMS also agrees to comply with the requirements of the Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the corresponding HIPAA regulations related to the confidentiality and security of medical information, including but not limited to executing a chain of custody agreement with the Facility, if applicable.

**7.13 Severability.** The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

## **8. TERMINATION.**

**8.1 Termination, Default.** UMS or Facility may terminate this Agreement if the other (i) materially defaults in the performance of any covenant, term or provision of this Agreement, and the default is not cured within sixty (60) days following provision of notice to the defaulting party.

**8.2 Termination, UMS and Facility.** UMS may terminate this Agreement or suspend service if:

**a) Payment Default.** Facility fails to make any payment to UMS when due and such failure continues for ten (10) days following provision of notice to Facility. In the case of any payment default, UMS may, without notice, cease providing services hereunder after three (3) days following a payment due date should it feel insecure with respect to Facility's ability or willingness to make payment.

UMS or Facility may terminate this Agreement or suspend service if:

**b) Bankruptcy.** Facility or UMS commits or suffers (voluntarily or involuntarily) an act of bankruptcy, receivership, liquidation or similar event.

**8.3 Facility's Default.** Upon Facility's default, UMS may: (i) declare the entire balance of all fees and other amounts due including the sum of all fees and other amounts payable during the balance of the term of this Agreement, or (ii) take any action at law or in equity to collect payments then due and to become due or to enforce performance of specific obligations.

The foregoing remedies are in addition to any provided by law. Neither party shall have obligation to exercise any remedy and the exercise of the remedy shall not release the parties for any obligation hereunder. All remedies shall be cumulative, and action on one shall not constitute an election or waiver of any other right to which either party may be entitled. In addition, the defaulting party shall pay the other parties reasonable attorney's fees together with an amount equal to all expenses paid or incurred in the enforcement of any rights or privileges hereunder.

## **SCHEDULE A**

**1. EQUIPMENT DESCRIPTION.** Dornier Compact Delta Lithotripsy system.

If the Equipment described above is deemed to be unavailable, in UMS's sole discretion a reasonably comparable piece of Equipment may be substituted.

**2. FEES.** Per Procedure Fee - \$1,800.00. Minimum On-Site Charge Per Visit-Three (3) Procedures.

Facility may cancel a service day with forty-eight hours prior written notice to UMS without incurring any charges, but ninety (90) days after the commencement of services, Facility may not cancel two or more service days per calendar quarter, otherwise; UMS reserves the right to reduce service days by one day per month. In the event Facility elects to continue having the same number of service days, the Facility will be responsible for a charge of \$2,000.00 per any cancelled service day.

**3. SCHEDULING.** UMS will make the Equipment available to the Facility the following number of days(s):  
\_\_\_\_one day every other week    ☒ one day every four weeks    \_\_\_\_one day per week

UMS shall determine the specific day of the week for the service schedule.

**4. TERM.** The term of the Agreement shall commence on the Effective Date and shall continue for a period of one (1) year following the first date of service at Facility. The term shall thereafter automatically renew for successive terms unless either party gives to the other 90 days' prior written notice of its intention not to renew the Agreement.

UMS and Facility have duly executed this Agreement as of date and year written below.

**UMS Connecticut Lithotripsy, Limited Partnership**

Signature: \_\_\_\_\_

Printed Name(s): Jorgen Madsen

Title: President & C.E.O

Date: \_\_\_\_\_

Address:

1500 West Park Drive, Ste 390

Westborough, MA 01581

Telephone No. (508) 870-6565

Facsimile No. (508) 870-0682

**Essent Healthcare of Connecticut, D/B/A Sharon Hospital**

Signature: \_\_\_\_\_

Printed Name: Charles Thayer

Title: President

Date: 5/31/06

Address:

50 Hospital Hill Road

Sharon, CT 06069

Attention: Ms. Ann Marie Thomas

*Please Return Signed Agreement to: Kimberly Rayla, Sales Coordinator*

*United Medical Systems, 1500 West Park Drive, Ste 390, Westborough, MA 01581*